

HOUSE BILL 2244
By Shepard

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, Part 1 and Title 67, Chapter 4, Part 5, relative to taxation of bulk vending machines.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 5, is amended by adding the following new, appropriately designated section:

67-4-507.

(a)

(1) Each person operating any bulk vending machine by which merchandise of the market value of the coin deposited not exceeding fifty (50) cents is sold or delivered to customers shall have the privilege and option of registration with the department of revenue, reporting gross receipts vended through such machines, and paying tax thereon, in lieu of sales tax, at the rate of one and one-half percent (1.5%) of the gross receipts from the machines in the same manner, with the same privileges and exemptions, and under the same regulation and administration as the tax codified in §67-4-402.

(2) For purposes of this section, "bulk vending machine" means a non-electrically operated vending machine containing unsorted confections, nuts or merchandise which, upon insertion of a coin, dispenses the same in equal portions, at random and without selection by the customer.

(3) Gross receipts taxed under this section shall be exempt from the sales and use tax levied by Chapter 6 of this title.

(b) To comply with the above option, the name and address of the owner must appear upon each vending machine, and each vending machine must have a permanent registration on forms provided by the department, at a cost for which the department may charge one dollar (\$1.00) each, plus a fee of two dollars (\$2.00) for each individual company so permanently registering.

(c) Any person, firm or corporation engaged in this business shall immediately notify the department of its option to pay under this chapter, and, failing to notify the department, shall pay sales tax as provided by law.

SECTION 2. Tennessee Code Annotated, Section 67-6-102(a)(25)(I), is amended by adding the following new language at the end of that item:

provided, further that "retail sale" or "sale at retail" shall not include bulk vending machine purchases taxed under § 67-4-507;

SECTION 3. This act shall take effect July 1, 2004, the public welfare requiring it.